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EASTERN EUROPEAN INTELLIGENCER

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State Dept. review completed

Yugoslavs Preview Their Position On EC Negotiations

The newly appointed assistant foreign trade secretary, Mrs. Milica Zhiberna, has given an Embassy officer some insight into the Yugoslav position in the trade negotiations with the EC that begin next week. Mrs. Zhiberna emphasized that Yugoslavia's traditional support for maximum liberalization of world trade has not changed but that trade with Western Europe is a growing concern to Belgrade. The prospective EC enlargement, and hence increased commercial discrimination against Yugoslav export goods, along with the unpredictable shifts in items under the EC's generalized preference scheme are already causing Yugoslavia problems in planning with the EC. Yugoslavia will probably make a strong presentation on these issues. Mrs. Zhiberna said that Belgrade would not grant the reverse preferences for EC exports that have been suggested as part of a proposed EC Mediterranean policy.

Mrs. Zhiberna said that, in general, the least developed LDCS should not grant any reciprocity, presumably because this would compromise their trade relations with their other major partners. Belgrade is clearly not considering any steps that would compromise its general foreign policy of nonalignment or its demonstrated ability to turn this policy into unrestricted trade with all major trading areas. Mrs. Zhiberna did say that Yugoslavia would welcome EC proposals on industrial cooperation in the Mediterranean.

Mrs. Zhiberna also denied reports that Belgrade was considering joining EFTA and said the visit of the EFTA president will create an opportunity to discuss Yugoslavia's activity in observer status in EFTA.

The Embassy in Belgrade thinks that Yugoslavia would welcome proposals for broader and deeper trade relations with EC and EFTA as long as these do not compromise Tito's nonaligned course. Belgrade would be specifically interested in a broader non-preferential trade agreement with the EC, further elaboration of generalized preference schemes and liberalization of EC

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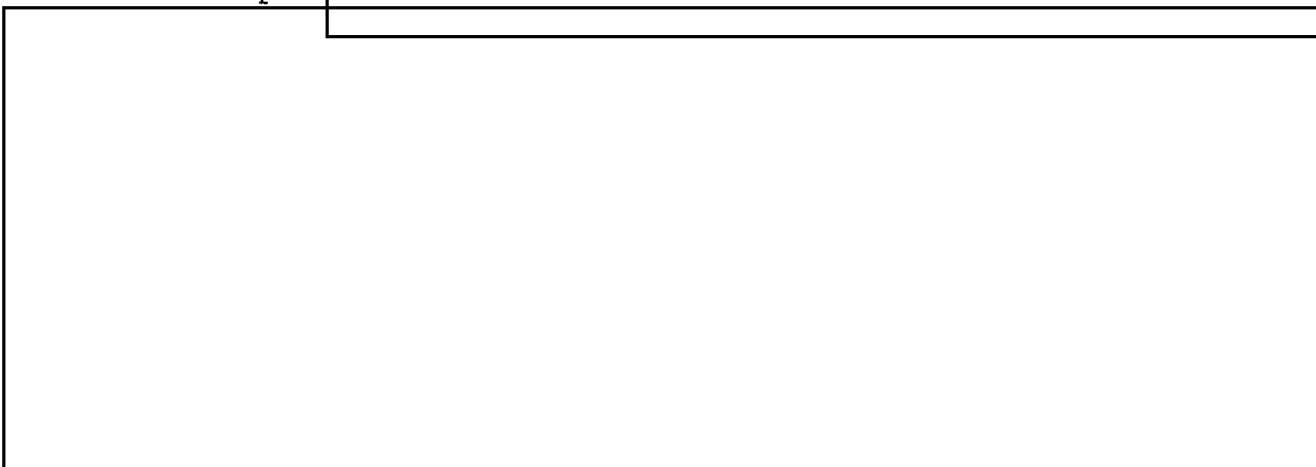
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agricultural markets and industrial cooperation, In a more general framework, Belgrade probably would like to see movement toward comprehensive trade negotiations in 1973, and early initiation of negotiations in GATT on EC enlargement. Accomplishment of these goals would go far toward easing fears in Belgrade that it is being edged into a position of heavy trade dependence on the USSR and its CEMA partners by the closing of doors in Western Europe.

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Bucharest To Host Italian Foreign Minister

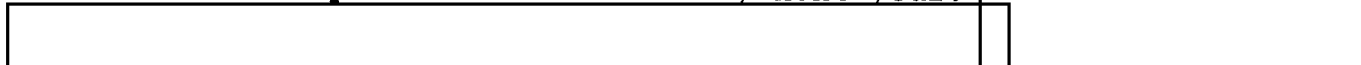
Italian Foreign Minister Medici will pay an official visit to Romania from 9 to 12 November.

Most of Medici's talks with his Romanian host, Foreign Minister George Macovescu, are expected to center on CSCE and MBFR where the two parties are said to have similar views. Bucharest's envoy to Rome speculates the Italians will also seek an up-to-date reading on Soviet-Romanian relations, which he described as improved--principally because of a change in Soviet attitudes.

On bilateral questions, the Romanians will probably push their interest in buying Italian industrial goods, providing acceptable credit arrangements can be made. To date, Rome has not been responsive to Romanian needs. Bucharest will also use the occasion to press its interest in opening a consulate in Milan and to push for mutual agreement to abolish visas. Finally, Medici may come prepared to offer a firm date for Ceausescu's planned visit to Italy next year.

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Bulgarians Blast Chinese Anti-Sovietism

With the 55th anniversary of the Bolshevik revolution and 50th anniversary of the founding of the USSR at hand, the Kremlin's Balkan sycophant, Bulgaria, has lashed out at Peking's anti-Soviet attitudes.

On 30 October Rabotnichesko Delo, the party mouth piece, carried a biting attack on the Chinese. While the Bulgars are anxious to tow Moscow's line, the sharp tone of this article indicates there may have been a ghost writer in the Kremlin.

Recalling the "positive", historic role of the Soviet Union, the paper sarcastically reminds its readers that even governments unsympathetic to socialism recognize Soviet contributions to the solving of mankind's problems. In the case of China, however, anti-Sovietism is described as a main prop of Maoist propaganda, if not of the regime itself. Rabotnichesko Delo then contrasts Moscow's efforts to work for peace through negotiations and discussions--such as CSCE--with Peking's opposition to a European security conference. Even China's activity in the UN since the mainland's seating last year is characterized as being negative.

The article was quickly picked up by Pravda and carried on 31 October under the title "Whom Does Peking's Anti-Sovietism Serve?"

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Albanian Military Delegation In China

The high-level delegation, which is led by the Minister of Defense, Beqir Balluku, returns the visits of several lower-ranking Chinese delegations which have trooped to Albania in the last six months, and underscores the close military ties between Tirana and Peking. China is the sole supplier of military equipment for the Albanian regime and the military branches represented among the group of dignitaries--including the areas where Chinese weaponry has been forthcoming.

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